

MAYBERRY INVESTMENTS LIMITED

DAILY RECOMMENDATION



LOCAL STOCK MARKET: (J\$) ⁺

Stock Symbol	XFUND	BPOW	PJAM	JETCON	GENAC
Current Price (\$)	12.95	6.14	63.18	3.82	3.75
Trailing EPS (\$)	1.22	0.18	3.97	0.28	0.30
P/E (times)	10.65	33.93	15.92	13.87	12.54
Projected P/E	9.88	29.92	15.04	12.92	15.10
Projected EPS (\$)*	1.31	0.21	4.20	0.30	0.25
Book Value per share (\$)	10.75	1.35	29.17	0.82	1.96
Price/Book Value (times)	1.21	4.55	2.17	4.66	1.91
Dividend Yield (2018 %)	N/A	3.09%	1.19%	0.92%	N/A
Volumes	239,704	NIL	14,135	27,349	NIL
Recommendation	BUY	SELL	HOLD	BUY	HOLD

FOREIGN EXCHANGE MARKET TRADING SUMMARY *

	PURCHASE RATE			SALES RATE		
	Highest	Lowest	Weighted	Highest	Lowest	Weighted
			Average Rate			Average Rate
USD	137.000	99.670	127.3992	144.000	100.000	128.5949
CAN	99.950	79.660	97.2158	113.000	93.000	97.7833
GBP	163.860	134.000	161.1250	190.000	158.000	163.3493
EURO	144.149	112.000	141.5660	170.000	139.000	147.3195

*Rates as at October 31, 2018

MONEY MARKET

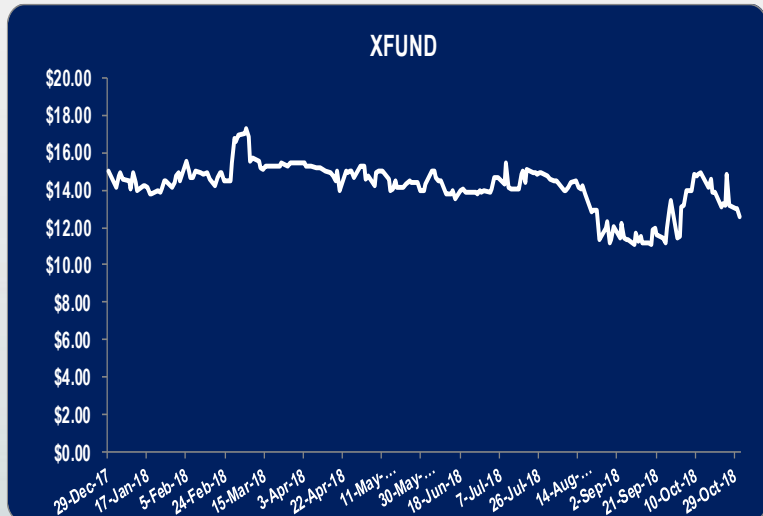
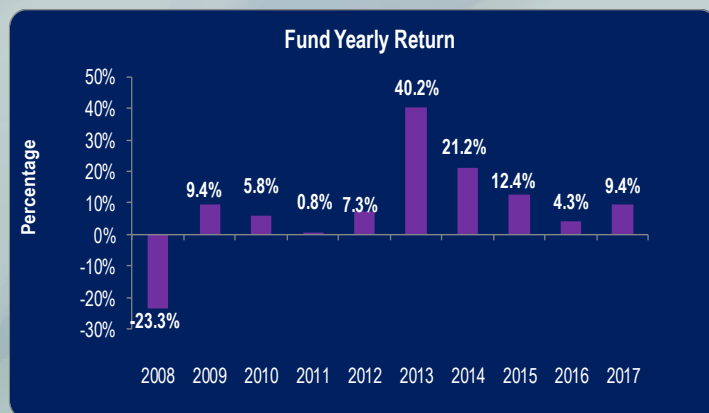
The Jamaican dollar fixed income market was liquid in today's (November 01, 2018) trading session. The overnight rate stood at 0.85% to 1.20%, while the 30-day rate ranged between 1.80% and 2.00%.

The US dollar fixed income market was also liquid during today's (November 01, 2018) trading session; The overnight market rates were quoted at 1.50% while the 30-day market rates stood at 1.80% to 2.10%.

OVER THE COUNTER FUNDS (CI FUNDS)

CI American Value Corporate Class

This fund's objective is to provide superior returns with a limited level of risk by investing in a diversified portfolio of high quality undervalued companies. It invests primarily in equity and equity-related securities of companies in the United States. Any change to the investment objective must be approved by a majority of votes cast at a meeting of shareholders held for that reason. The fund has a 3 year return of 10.7% and a 5 year return of 13.9% as at September 30, 2018. The Fund also has a 10 year return of 10.2%.



STOCK OF THE DAY: Sagcor Real Estate XFUND Limited (XFUND)

For the six months ended June 30, 2018:

Total Revenue for the six months rose 2% to \$6.07 billion (2017: \$5.95 billion). For the quarter, total revenue fell by 4% to \$2.68 billion relative to \$2.79 billion).

Hotel revenue for the six months period increased to \$2.89 billion relative to \$2.44 billion in 2017, an 18% improvement year over year. Net Investment expenses and net capital gains on financial assets and liabilities both increased to close at \$137.94 million (2017: \$31.65 million) and \$603.31 million (2017: \$432.32 million) respectively. Hotel revenue from discounted operations slipped 12% to close at \$2.71 billion relative to \$3.09 billion.

The company stated that, "Effective June 1, 2018 the Group sold the Hilton Rose Hall Resort and Spa (Hilton Rose Hall), three (3) of the Jewel hotels as well as lands that were owned by the Sigma Real Estate Portfolio (Sigma Portfolio) and a part of the Jewel Grande to Playa Hotels and Resort N.V. (Playa)."

Operating Expenses slightly increased 1% to \$4.96 billion (2017: \$4.91 billion). Whereas, Hotel Expenses increased by 10% to \$1.88 billion (2017: \$1.71 billion) and a 4% decrease in Interest Expense to \$702.90 million (2017: \$731.26). Hotel expenses for the quarter totaled \$916.13 million compared to \$892.24 million in 2017.

There was depreciation of \$305.55 million (2017: \$137.14 million) for the period under review. Depreciation for the quarter totaled \$164.99 million (2017: \$73.03 million). The company mentioned that, "This was primarily driven by major renovation of our directly owned hotel- namely DoubleTree Universal in Orlando, Florida (DoubleTree) during 2016 through 2017 in keeping with the franchisors' brand standards."

Other operating expenses increased to \$38.07 million (2017: \$12.67 million). However, for the quarter, there was an increase to XFUND booked \$20.56 million for other operating expenses versus \$4.04 million).

The company's Profit before Tax climbed 6% to \$1.11 billion (2017: \$1.04 billion) for the six months. After incurring tax charges of \$336.95 million (2017: \$256.33 million), Net Profit attributable to stockholders reduced slightly by 2% to \$770.17 million, down from \$785.20 million for the comparable period in 2017. However, for the second quarter, Net Profit increased by 13% to close at \$277.54 million (2017: \$245.70 million).

The earnings per share (EPS) for the six months closed at \$0.34 (2016: \$0.35). While, the EPS for the quarter amounted at \$0.12 (2017: \$0.11). The trailing twelve-month EPS is \$1.22. The number of shares used in our calculations was 2,243,005,125. As at August 14, 2018, the stock traded at \$14.14.

*Prices are as at November 01, 2018 *Projections are made to the company's financial year end

U.S: Trump Spoke With China's Xi on Trade, Says Talks Going 'Nicely'

"President Donald Trump said he had a productive conversation with Chinese President Xi Jinping on trade and North Korea ahead of a highly anticipated meeting planned between the two leaders at the G-20 summit this month. "Those discussions are moving along nicely," Trump wrote on Twitter Thursday. "Also had good discussion on North Korea!" Xi said he is open to talking with Trump about trade and other issues during the G-20 in Argentina, China Central Television said on Weibo, citing a scheduled phone call between the leaders. White House economic adviser Larry Kudlow said Thursday that Trump and Xi may be able to break the logjam on issues between the two countries during their meetings at the Group of 20 nations summit scheduled for Nov. 30 to Dec. 1. But Kudlow, speaking at an event in Washington, said that Trump would "aggressively" pursue his agenda against China if no deal is reached on intellectual property theft, cybersecurity and tariffs on commodities, among other issues. Trump's posture toward China has been closely watched by investors who are looking for a possibility of tensions cooling between the world's two largest economies. Trump points to stock prices as a barometer for his administration's economic success -- blaming the Federal Reserve and Democrats for declines. News signaling improvements in U.S.-China ties, in turn buoying stock prices, would provide the president the chance to vie for more support in midterm elections on Tuesday."

<https://www.bloomberg.com/news/articles/2018-11-01/trump-spoke-with-china-s-xi-on-trade-says-talks-going-nicely?srnd=economics-vp>

PLATINUM PORTFOLIO

Platinum Portfolio Yield Measures as at October 29, 2018

	Percentage (%)
Yield to Maturity	6.06
Weighted Average Coupon	5.548
Current Yield	6.81

The platinum portfolio has an effective maturity of 13.07 years and duration of 4.32 years.

DISCLAIMER

Analyst Certification -The views expressed in this research report accurately reflect the personal views of Mayberry Investments Limited Research Department about those issuer (s) or securities as at the date of this report. Each research analyst (s) also certify that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation (s) or view (s) expressed by that research analyst in this research report.

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MIL Ratings System:

BUY: We believe the stock is attractively valued. The company has sound or improving fundamentals that should allow it to outperform the broader market. We anticipate the stock will outperform the market over the next 12 months. The risk factors to achieving price targets are minimal.

HOLD: We believe the stock is fairly valued at the current price. The company may have issues affecting fundamentals that could take some time to resolve. Alternatively, company fundamentals may be sound, but this is fully reflected in the current stock price. The risk factors to achieving price targets are moderate. Some volatility is expected. In addition, technically it may be difficult to attain additional volume of the stock(s) at current price.

SELL: We believe the stock is overpriced relative to the soundness of the company's fundamentals and long-term prospects.

SPECULATIVE BUY: We believe the prospects for capital appreciation exist, however there is some level of uncertainty in revenue growth.

Source: www.jamstockex.com, www.bloomberg.com, www.investopedia.com, www.tradewire.com

Europe: BOE Hint at Faster Hikes Over Brexit Uncertainty

"The Bank of England hinted there may be a need for faster interest-rate increases in the coming years in a report dominated by uncertainty over Brexit. The Monetary Policy Committee, led by Governor Mark Carney, said the economy may start running hot earlier than previously anticipated as wage growth improves and domestic costs build. It sees the inflation rate staying above its 2 percent goal for the next two years. Interest rates were left unchanged on Thursday. The pound briefly ticked higher before stabilizing to trade at \$1.2920, up 1.2 percent on the day, at 1:13 p.m. London time. The slightly hawkish bias compared with August is tempered by the fact that the forecasts are based on an assumption for a smooth Brexit that may not come to pass. It said the exit deal with the EU remains the biggest factor when it comes to the economy and monetary policy. The projections also don't take into account the U.K. government's latest budget, announced this week, which aims to provide stimulus. "The monetary policy response to Brexit, whatever form takes, will not be automatic and could be in either direction," the bank said in its quarterly Inflation Report. While the exact impact of Brexit "cannot be determined in advance, under all circumstances, the MPC will respond to any material change in the outlook." In a sign of how Brexit is affecting the economy, the BOE slashed its forecast for business investment and sees stagnation this year."

<https://www.bloomberg.com/news/articles/2018-11-01/boe-waits-for-brexit-clarity-as-forecasts-hint-at-faster-hikes?srnd=premium>

STRUCTURED PRODUCT

Mayberry Managed Equity Portfolio (MMEP)

We offer a managed equity portfolio for both institutions and individuals. The MMEP is a full discretionary managed portfolio of a diversified group of stocks. The stocks included in the portfolio represent Mayberry's top recommended stocks. Persons who find it difficult to manage their equity portfolios on a day to day basis should consider the MMEP. Further, the MMEP is for individuals and institutions who would like to pursue a medium to long term equity strategy.

OVER 20 YEARS OF EXPERIENCE + CUTTING EDGE MARKET RESEARCH

= POSITIVE TRANSFORMATION FOR OUR CLIENTS

MANAGED FUND SOLUTIONS • CURRENCY SOLUTIONS • GLOBAL INVESTING SOLUTIONS • RETIREMENT PLANNING SOLUTIONS



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MAYBERRY
INVESTMENTS LIMITED
A Member of the Jamaica Stock Exchange

1 1/2 Oxford Road, Kingston 5, Jamaica. ☎ (876) 929 1908 - 9
research@mayberryinv.com • sales@mayberryinv.com • www.mayberryinv.com